CS150-7

Chain Store Age

GENERAL MERCHANDISE TRENDS

April 1985

"We have to be the store of first choice."

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Specialists lose market share to general merchandisers

	Portable headphone stereos		Home stereos		Video cassette recorders	
	[illegible]	1985	1982	1985	1982	1985
Electronics specialists	25.3%	13.9%	43.1%	32.0%	39.1%	36.0%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Department stores	20.0	13.5	9.6	14.2	9.8	14.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Catalog showrooms	6.9	9.3	3.0	2.7	4.2	2.0
Other	9.4	19.4	15.5	21.7	29.6	25.3

[illegible] Data from Appliance & Television Associates

going beyond the mass merchant customer's ability to pay. We'll be offering a $399 rack system this year, and for us that's good."

"To be frank," Adis adds, "we probably do more for K mart than K mart does for us—we add credibility to their line."

Televisions will also stay out of discounters, says Adis, both because of Sony's high price points and the company's limited production capacity.

"The worst thing that we could do," he says, "is to take on new orders and then get ourselves into a backorder situation with our regular customers. We don't want to do that."

The Sony exec suggests, however, that added production capacity in 1986 might well mean that televisions will find their way into discount outlets sometime next year.

With all the attention paid to Sony's move into discount stores and warehouse operations, little notice has been given to what may be its fastest growing distribution channel. "It's been growing quietly, and we love it because it doesn't contribute to price erosion," Adis says.

Since 1982 Sony's direct mail business through American Express has grown 400%, according to Adis. Though Sony has sold through direct mail for nearly a decade with the likes of Sharper Image and American Express, it's only been in the last two years that the business has really taken off.

Are general merchandisers concerned that Sony products in new distribution channels will take the glitter off their own electronics business? Not if one department store electronics buyer is to be believed.

"Our business is not highly promotional, and never will be," says the Sun Belt buyer who does $35 million in electronics sales annually. "Sony may move into other areas with products at the low end. And even if they do and are very successful, we'll still be very successful with Sony," he adds.

"We know how important they are to us, and they know how important we are to them. Not much will change as long as that's true," he says. □

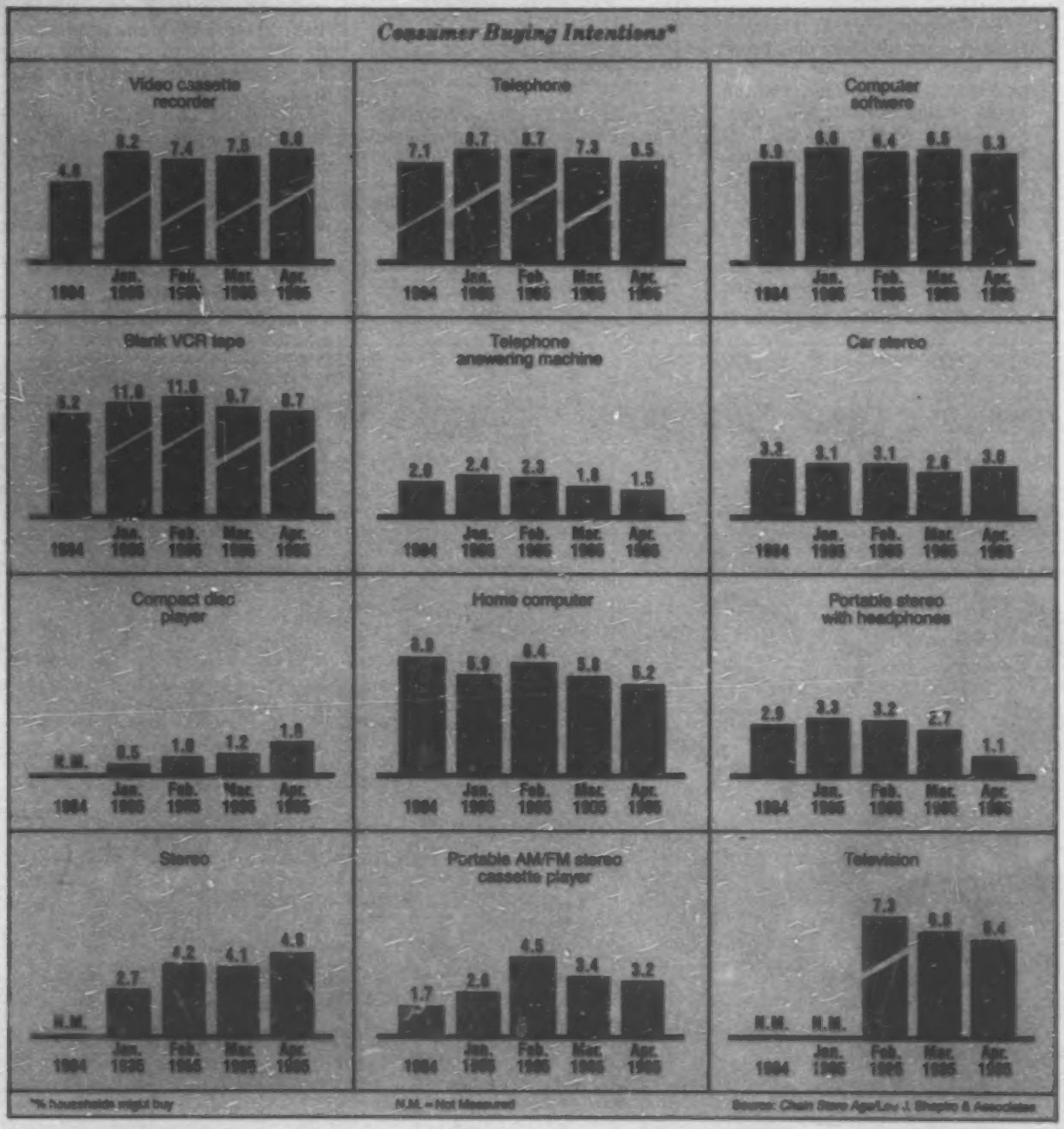
TVs slump, VCRs and CD players jump

The television sales picture is getting dimmer—for the second straight month the number of households that say they intend to buy a TV in the next year has dropped. Just 6.4% of households surveyed in the April *Chain Store Age* MarkeTrends poll said they might buy, following a 7.3% score in February and 6.8% in March.

Video cassette recorders, on the other hand, will continue their upward spiral. After skipping a beat for two months, consumers came back in the April survey and reported that 8.8% intend to buy a VCR in the next year, the highest number measured for VCRs in four years of MarkeTrends tracking.

At the same time, compact disc players are turning in an impressive new product performance. Since January, the per cent of households that intend to buy a CD player has more than tripled, jumping from 0.5% three months ago to 1.8% in the April survey. The households that might buy a compact disc player in the next year now outnumbers those who intend to buy either headphone portable stereos or telephone answering machines.

The April MarkeTrends survey also shows personal headphone stereos, blank VCR tape and telephone answering machines continuing a falloff in consumer intent to buy. □



CD players sound their way into homes

Retailers are adding CD players to their rack stereo systems.

Compact disc players are singing the sweet song of growth to the stereo component business. Advertising campaigns touting the digital audio system's superior sound have paid off with dramatic increases in consumer awareness and demand. Price drops are further exciting the market.

According to *Chain Store Age*/MarkeTrends, 27.7% of those polled have heard or seen something about CD players. Among those households already owning a stereo system, the number familiar with the digital technology jumps to 39.3%.

But even more astounding is that 38.3% of households currently owning a stereo say that they are interested in buying a CD system. Simply put, just about every stereo owner who has heard of a compact disc player, wants one.

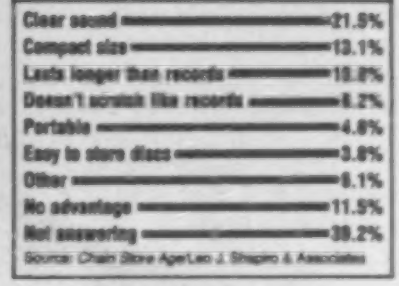
Eleven per cent of respondents who have heard of a CD player rate themselves as very interested in owning one. Another 25% say they are somewhat interested.

The median amount consumers expect to pay for a CD player is $400, down from the average $510 measured in last August's survey. Audio and electronics specialists own 39.3% of the CD market, according to the poll, with full line department stores garnering 12.1%, Sears 9.1%, catalog showrooms 9.1% and discounters 6.1%.

Sony and RCA are the top brands in consumers' eyes, followed by Fisher, Sanyo and Panasonic.

Clear sound sells CD players

What's the main advantage of a CD player?



Source: Chain Store Age/Leo J. Shapiro & Associates

While some retailers remain skeptical about the compact disc player's future, at least one department store has jumped in head first. The Broadway Southern California's rack stereo assortment includes a CD player as part of each rack system.

Other audio buyers, including one for a major Texas department store chain with sales exceeding $400 million, have begun building rack systems with more expensive speakers and less pricey turntables in anticipation of future compact disc additions. □

Car stereos ride middle of the road

The market for car stereos is once again making a U-turn. For two years the trend has been toward the low and high end of the assortment with consumers abandoning the midprice range. The most recent *Chain Store Age*/MarkeTrends poll, however, shows consumers once again heading toward the center.

According to the current study, only 27.8% of households now expect to pay less than $150 for a car stereo. This compares with 41.9% as recently as last August. The $150-$399 midprice range is the choice for 55.6% in the April survey, as opposed to 41.3% last summer. The top of the line (over $400) is holding steady at 16.6%.

Higher price expectations are good news in what is otherwise a stable market. The number of households that anticipate buying an auto stereo in the next year has remained remarkably even. In the April survey 3.3% report that they intend to buy a car sound system in the next 12 months, almost equal to the 3.3% who responded favorably eight months ago.

How much do you expect to pay for a car stereo?

	August '84	April '85
Less than $150	41.9%	27.8%
$150-$399	41.3%	55.6%
Over $400	16.8%	16.6%

Source: Chain Store Age/Leo J. Shapiro & Associates

The Electronics Industries Association (EIA) projects factory shipments of car audio equipment to rise in value from $2.5 billion in 1984 to $2.6 billion this year. The majority of sales, says the EIA, will be as part of new car installations. □

Consumers expect to pay more for car stereos this year than in '84.

Is the boom box boom going bust?

The good news for discounters is that they continue to gobble up the market for boom boxes. The bad news is that consumers expect to pay less and are expressing decreasing interest in buying a portable stereo.

Nearly 1 out of 4 boxes (24.5%) are now sold in discount stores, according to *Chain Store Age* MarkeTrends. Just last August discounters grabbed 17.1% of unit sales. The gains come mainly at the expense of specialty stores which saw their market share drop from 25.3% eight months ago to 18.8% in the most recent survey.

The amount consumers expect to pay for a boom box is also dropping.

Discounters up boom box share

	Aug. '84	Apr. '85
K mart	5.1%	5.7%
Other discounters	12.0	18.8
[illegible]	[illegible]	[illegible]
Ward	11.5	3.3
[illegible]	[illegible]	[illegible]
Department stores	10.6	9.4
[illegible]	[illegible]	[illegible]
Specialty stores	25.3	18.8
[illegible]	[illegible]	[illegible]

Source: *Chain Store Age*-Leo J. Shapiro & Associates

In August the median those polled intended to pay for a portable stereo was $150. The current study sees that figure falling to $135.

According to the survey, fewer consumers say they intend to buy a portable stereo in the next year. For the second consecutive month the number of households that report they expect to buy a boom box has dropped. In February the figure marked 4.5%, slipping to 3.4% in March and 3.2% in the latest poll.

However, the active market (those who have actually done some shopping for a portable stereo in the last 30 days) is actually rising and may presage better sales than the other figures indicate.

As the market for boom boxes begins to mature, vendors are attempting to rekindle consumer interest with both fashion colors and smaller design (see *CSA*, March 1985), hoping to capture repeat sales. For now, the trend seems sure only in innovator markets. □

VCRs "R" Us?

Even when it makes a mistake, it is fun to watch Toys "R" Us.

Saddled after Christmas with unacceptably high inventory levels in games for the Atari 2600, what do they do? They mark down the price for some of the discontinued game machine's cartridges and then persuade one vendor—Parker Bros.—to offer a rebate equal to the selling price.

The consumer's net price is the 22¢ it costs to mail in the rebate coupon. The setup ought to clear out the troublesome game inventory with maximum damage control and increased consumer goodwill.

Innovative as the scheme may be, it is even more fun to watch Toys "R" Us when it is doing the kind of progressive retailing usually expected of it. With all the fuss some industry observers have made over the toy chain's disappointing electronics sales last year, it is easy to forget that over the long run Toys "R" Us has followed the electronics trend profitably.

Far from discouraged by its experience, the toy chain is now waiting for yet another electronics wave to ride. In late January Toys "R" Us president Norman Ricken suggested to a group of retail stock analysts that if the price of video cassette recorders dropped to "a few hundred dollars," the toy chain would consider stocking some low-end VCRs.

The low-end of the market is already approaching Ricken's unspecified price. It now seems nearly inevitable that Toys "R" Us will expand the definition of toy to include America's favorite adult plaything and add VCRs to its traditional merchandise mix.

Nor is it likely that Toys "R" Us will be the only nontraditional electronics retailer looking to ride the VCR sales swell. With the Electronics Industries Association projecting 9.5 million VCRs shipping to dealers this year and others upping that estimate to 11 million, watch for additional retail entrants. Food and general merchandise combination stores look like a good bet.

In fact, any retail outlet currently selling televisions is a likely addition to the distribution channel. Television sales seem to have leveled off from last year's brisk pace. Zenith Electronics is projecting industrywide sales will be flat this year. *Chain Store Age* MarkeTrends research indicates a drop in consumer interest in buying a TV this year. More and more retailers will turn to upward trending VCRs to offset television's lack of even sales.

Of course, the other opportunity VCRs present this year is the entry of new vendors. The South Koreans and Taiwanese have received the most attention. The widely held expectation is that they will open up the low end of the market to a whole new group of consumers who were shut out of the first sales jump.

But also don't count out the Europeans. The strong U.S. dollar may make the American market a tempting target for European manufacturers. Already, Sharp Electronics has opened a British VCR manufacturing facility and hints that the plant may be used to meet unexpectedly high demand in the United States.

If the dollar continues to outpace European currencies, manufacturers on the continent might also see the profitability of VCR exports to the U.S.

Asked recently his opinion of the Korean and Taiwanese entry into the American VCR marketplace, a major Japanese vendor replied: "I'm not the least bit worried about the Asians. I am worried about the Europeans."

—Rick Gallagher

Cookware is high on shoppers' lists

Although buying intentions declined in 8 out of the 12 categories tracked by *CSA*/Leo J. Shapiro & Associates, the areas where buying intentions are heating up show promising growth.

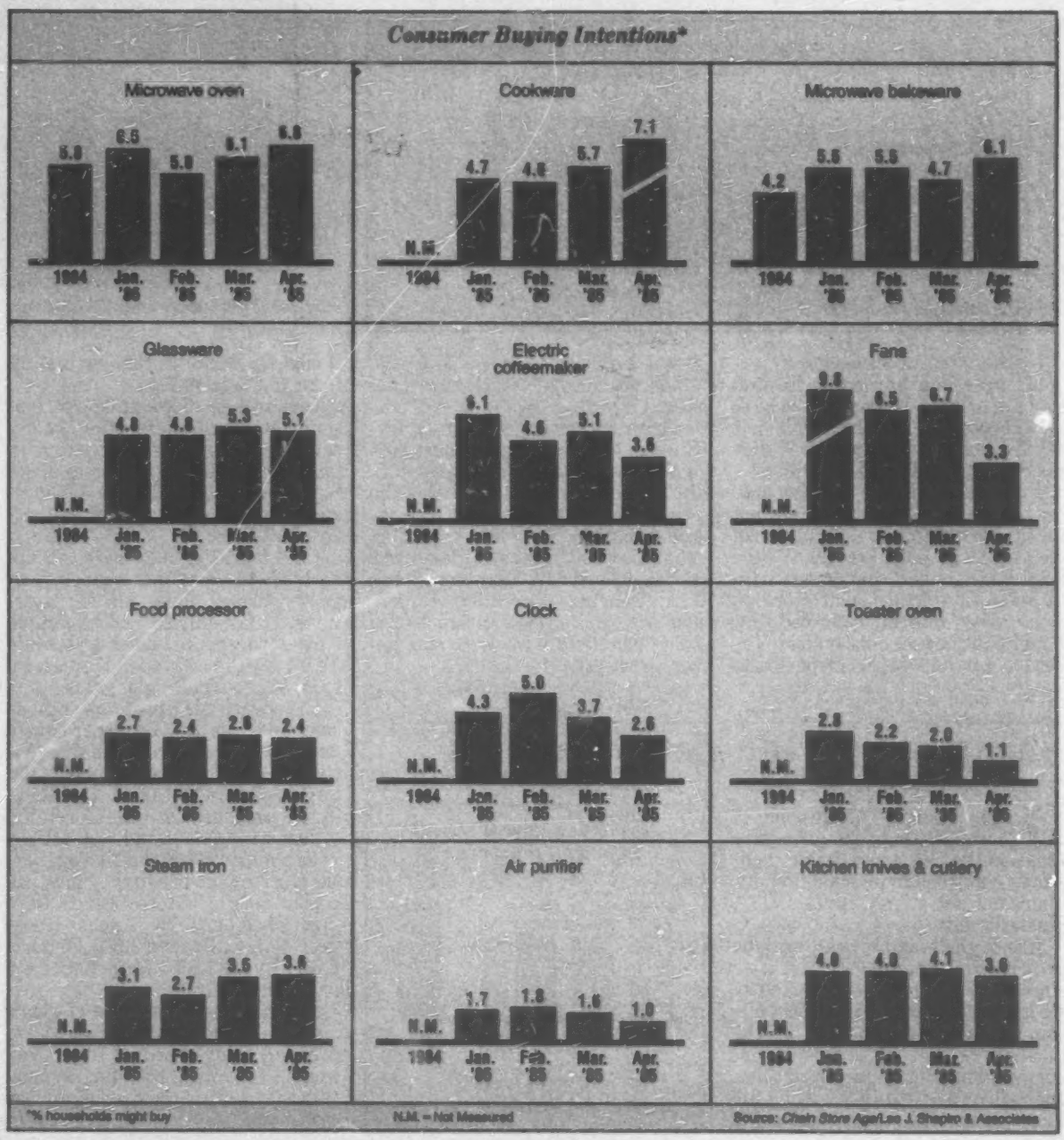
Cookware, pots and pans, for example, appear to be high on consumer's shopping lists with 7.1% of those surveyed responding that they might buy these items within the next 12 months. This is the highest response for the cookware category in the four months it has been gauged by *CSA* MarkeTrends.

The other areas shoppers plan to be in the market for are microwave ovens, microwave bakeware and accessories and steam irons.

Less likely to be important in shopper's minds are the following categories: glassware, electric coffeemakers, fans, food processors, clocks, toaster ovens, air purifiers and cutlery.

Consumer interest especially waned in the fan category which dropped from a 6.7% shopping intensity rate in March to only 3.3% in April. Consumers also reported less of an interest in purchasing electric coffeemakers. Since January, that percentage fell from 6.1% to 3.3%.

Cutlery is showing a significant decline in buying intentions with the percentage down to 3.6% from 4.1%. □



Price is the cutting edge in cutlery

One clear message that can be gleaned from this month's *CSA* MarkeTrends research on cutlery is that shoppers are willing to wait for a sale.

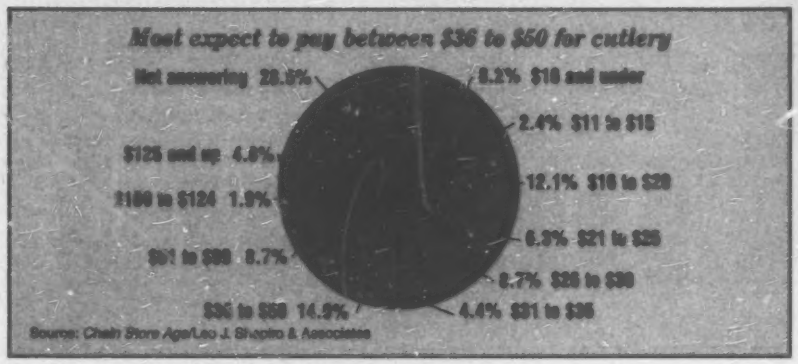
Almost 60% of those surveyed who recently purchased cutlery did so at an "on sale" price. That is not surprising considering that about 38% signaled that price/discount would be the factor helping them decide where to purchase cutlery.

Hammering home the importance of price is the fact that close to 60% responded that they would put off the purchase of cutlery if they needed to curb family spending.

Despite the desire for discounts on cutlery, discount stores are not always the shopper's first outlet choice. Twenty-six per cent of the survey responded they last bought at a full line department store. A close 23%, however, indicated they bought cutlery at a discounter. The reason full-line department stores have the edge is because they flagrantly discount the well-established brands to generate cutlery traffic.

Consumers may look for a discount, but they are willing to pay a handsome sum for the cutlery. About 31% of those surveyed expect to pay between $36 and $100. Sets were more popular, with 27.2% of the *CSA* survey responding they would purchase a set vs. 17% who would opt for open stock individual pieces.

There are some strong brand loyalties in this category. Almost 30% of the respondents were very sure the brand they mentioned was the one they definitely wanted. The national brand receiving the most mention was Chicago Cutlery with 14.3%, followed by Ekco with 6.5%, J. A. Henckels with 3.9%, Wilkinson with 2.6%, Old Hickory with 2.6%, Sheffield with 1.3% and Revere with 1.3%. □


Most expect to pay between $36 to $50 for cutlery
Not answering 28.5%
8.2% $10 and under
2.4% $11 to $15
12.1% $16 to $20
6.3% $21 to $25
6.7% $26 to $30
4.4% $31 to $35
$125 and up 4.8%
$100 to $124 1.9%
$51 to $99 8.7%
$36 to $50 14.9%
Source: Chain Store Age/Leo J. Shapiro & Associates

Upgraded glassware selections attract more shoppers.

Shoppers upgrade glassware tastes

Discounters are losing some of their sparkle in the glassware areas as the Big 3 and department stores gain customers looking for upgraded selections, reveals *CSA* MarkeTrends.

Although discounters are still the preferred outlet, the gap has closed since the category was tracked in December of 1983. At that time, discounters commanded 43% of the business vs. 31% in the most recent survey. The Big 3 improved their share from 9.1% to 18.3% while full line department stores were mentioned by 26.9% in this survey, up from 15.2% in 1983.

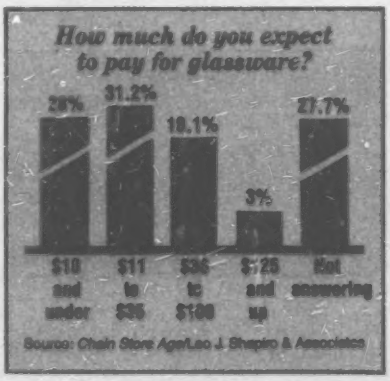
One reason discount stores lost some favor, retailers offer, is because price is not as important in glassware today as it was in 1983. Says a Davison's source, "Today's shopper wants better, more attractive glassware."

CSA MarkeTrends backs this up: In 1983, 40.6% of those queried expected to pay under $10 for glassware. Today, only 28% of the sample expect to spend under $10 while 31.2% say they will spend anywhere from $11 to $35 for glassware.

Glassware shoppers are not as sale conscious as many other housewares category consumers. Although 48.4% of the households did buy glassware on sale, a significant 34.4% purchased at the full retail.

The strongest brand was Libbey with almost 28% of the survey mentioning it as the brand they most recently bought. Store brands were mentioned by 16.7%, Anchor Hocking 7%, J. G. Durand 2.6%, Fostoria 2.6%, Pyrex 1.8%, Waterford 1.8% and Lenox 1.7%.

When asked what type of glassware they would shop for, 42.8% indicated they wanted everyday items. However, 8% did respond that they were in the market for fine glassware. □



Room to grow in air purifiers

The air purifier market remains one that is relatively untapped and in need of better consumer education.

According to *CSA* MarkeTrends research, there is only an 11% market penetration of air purifiers. Although this rises to 17% when looking at households in which someone has an allergy, it is still basically open for future growth.

What is also interesting is that consumers now turn to the purifiers to remove dust and pollen from the air rather than to mask or eliminate odors. Almost 60% of the sample reported that they would use an air cleaner for dust or pollen.

Surprisingly, consumers view the

product as something for the entire household, rather than just for one person. To that end, most units are kept in a living room rather than bedroom.

The low saturation level suggests that consumers are not aware of the benefits of air purifiers. There is also potential for growth by encouraging multiple purchases for locating purifiers in bedrooms as well as living rooms.

Despite room to expand, shopping intensity has dropped in 1985, with those saying they may buy in the coming months declining from 1.7% in January to 1% in April.

Those who do buy prefer to do so at a discount store, with 31% of the sample responding that is where they last bought. The No. 1 brand they look for is Pollenex which was mentioned by almost 17% of the survey. Other brands mentioned included Honeywell and G.E. □

PL: More than a "cheap" alternative

Private label merchandise is hardly new to the housewares industry. Yet, the store brand vs. national name debate is once again in the limelight as retailers attempt to determine the proper route to serve today's affluent consumer.

At first glance, one would assume that this upwardly mobile two-income shopper would demand a national brand. After all, this is the shopper who knows her Cuisinarts, Henckels and Mikasas. She is also part of 20% of consumers who say they will not even shop a store that does not carry a certain well-known name, according to Isaac Lagnado, director of research at Associated Merchandising Corporation.

But this same customer is better educated than ever. She knows that many of the same companies that make the brands she pays the extra dollars for also manufacture store brands.

She is not only better informed, but this new customer seeks exclusivity. Carol Farmer, vp market development at American Can Company explains this phenomenon best: "Today's Yuppies [Young, Urban Professionals] like to buy pasta and cheese until they start finding that even Safeway carries pasta and cheese."

It is analogous to the glamorous world of cosmetics where women pay up to $20 or $30 more for a brand just to buy it at a chic location. That $50 bottle of Giorgio perfume loses some of its appeal (and some of its price tag) when it is sold (diverted) at the local drug store. The same thing happens when Lenox and Cuisinart start appearing at discounters.

Retailing expert Dr. Alton Doody has witnessed this trend and he says that despite major manufacturers' resistance to sell discounters, there will be more national brands filtering through discount channels over the next three to four years. With that in mind, Doody does not blame department stores for offering some of their own private label at higher prices than name brands—if the private label offers exclusivity.

The need for private label is not limited to department stores. As more discounters and the Big 3 include the name brands, their margins erode because they try to stay price competitive. They too have a need to bolster margins via store brands.

What is the bottom line? It appears that the industry is becoming polarized. Shoppers now insist on finding at least some key name brands in a typical department. But they also want alternatives that are not necessarily just a "cheaper" offering. The lesser-known brand names are becoming less important and, in many cases, are being gobbled up by larger companies.

Instead of offering private label as a knock-off, the concentration should be on making it exclusive.

Indeed, private label is no longer just a copy of last year's most successful offering. Many private label sources had under-the-cabinet kitchen appliances out almost as fast as General Electric. Plus, retailers such as Sears have already jumped onto the newest trend in kitchen appliances—smoky gray colors.

Both private label and national brands can profitably co-exist. After all, says Max Garelick of BATUS, department stores still plan to do 65% to 85% of their business with branded suppliers.

"But what private label can do," he offers, "is provide the exclusivity, price flexibility and markup needed in the mix. It can fill what otherwise would be a void."

—*Faye Brookman*

Despite initial problems with the disc camera, photo buyers see it as a regular part of their merchandise mix, and have been expanding their selections.

Disc finds niche under autofocus

Although the disc camera will probably never gain the kind of widespread acceptance initially predicted for it, retailers continue to expand their mix of discs and expect modest sales gains from the camera, according to a *Chain Store Age* survey of buyers.

Last September Eastman Kodak introduced the third generation of film for the disc, which will be three years old in May. The improved quality of that film combined with lower price points for the camera helped boost unit volume about 20% this year to six million units. Christmas was counted a strong season.

Despite the disc's initial problems, photo buyers see it as a regular part of their mix and have been expanding their selections. The *CSA* survey found the disc carried by every retailer with a photo counter. Moreover, the number of brands stocked increased in one year from 2.2 to 2.8. Discount stores, in particular, upped their selection and now carry on the average three brands of disc.

Kodak produces the three best-selling disc cameras, according to buyers: the top-selling 4100, the 3100 and the 6100. Following Kodak in sales are disc cameras by Keystone, Minolta and Ansco.

Even with its penetration, however, the disc is not performing nearly as well as it was once hoped it would. The disc's sales gains last year came almost entirely at the expense of other cartridge cameras, like the 110. The disc has simply become the preferred cartridge camera, but it has not expanded the total business done by cartridge cameras. In 1985 disc sales are expected to increase about 15%.

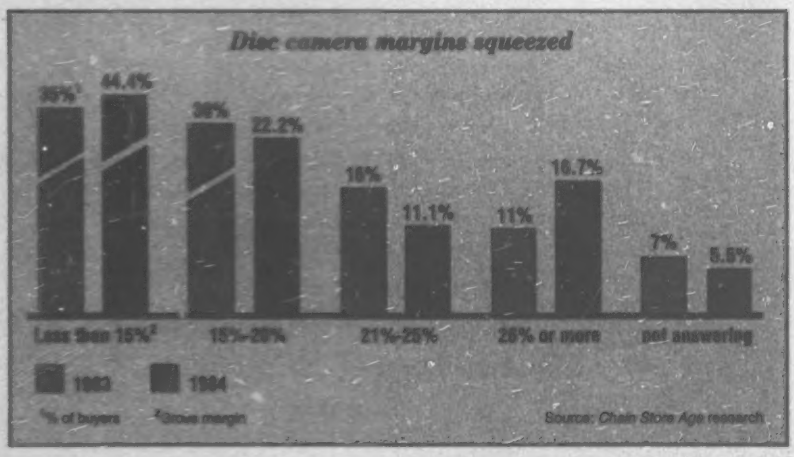
Pressure on the disc continues to come from low-priced autofocus cameras, those retailing for under $100. Nearly half of all buyers surveyed by *CSA* felt that the introduction of the autofocus had curtailed sales of the disc. Only one other format, instant cameras, have been hurt more by the point-and-shoot 35mm cameras, the survey found.

With cameras like the Canon Snappy selling well at $70 and companies like Ansco entering the low-end of the autofocus market, Kodak has dropped its high-end disc, the 8000, and now tops off its line with the 6100. According to buyers, the disc sells best at a price where it does not compete with the autofocus camera. Discount store buyers say that $30 is their preferred price for the disc, while department stores report that the disc sells best for them at just under $40.

One reason buyers are expanding their brand assortments, moving to unadvertised lines like Keystone and Ansco, is that margins for the Kodak discs remain low despite a slackening of the sales pace that characterized the disc's first year. Nearly 45% of all buyers responding to the *CSA* survey said they get a gross margin of less than 15% on the disc. Surprisingly, that group is nearly evenly divided between department and discount stores.

But several buyers pointed out that their margins are only that low on Kodak models. For unadvertised lines the gross margin jumps to somewhere between 21% and 25%. Even so, overall profit margins for the category remain unimpressive. Only 16.6% of those surveyed said they get more than 25% profit margin from discs. □

***Buyers say Kodak** produces the three best-selling disc cameras.*

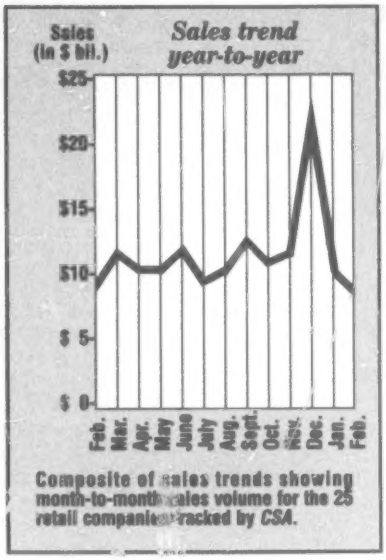


High promotions pressure margins

Economic reports of increased employment, more disposable income and high consumer confidence have not translated into significant sales gains at the retail level. The 25 chains tracked by *Chain Store Age* posted February sales up 7.8% over February 1984. The modest gain is the smallest year-to-year increase in over 12 months.

When a general merchandise inflation rate of 1% and the increased number of units operated this year are factored in, sales for February 1985 ran just about even with last year's unusually strong month.

Among the Big 3 catalog chains, J. C. Penney same-store results



Composite of sales trends showing month-to-month sales volume for the 25 retail companies tracked by *CSA*.

were up only 2.3% over last year. Montgomery Ward comparable unit figures edged ahead a meager 0.6%.

The department stores looked like the month's only clear winners, but even their results must be tempered by the effects of continued high promotional pressures upon margins. Dayton Hudson reported February sales up a hefty 14.8%.

Mercantile reported comparable store totals rising 6.3% for the month and chainwide volume up 6.7%. Total sales for R. H. Macy increased 7.6% with store-for-store results gaining 5.7%.

At St. Louis-based May Department Stores, its Venture discount division outpaced the department stores with sales for Venture up 14.3% compared to 10.3% for the department stores. Same store results, however, show the department stores ahead 9.9% for February compared to 5.4% for Venture.

Bentonville, Ark.-based Wal-Mart continued to show dramatic sales increases with February totals 30.6% ahead of last year. Same-store results posted an 8% gain.

Stop & Shop discount division Bradlees marked a 4% increase, but with comparable store results running even with 1984. The Braintree, Mass.-based discounter cited slowing consumer interest in expenditures for general merchandise and both weak apparel and home furnishing sales for the lackluster performance.

Among the electronics specialists, Tandy reported a 1% decline for the month. Its U.S. Radio Shack division saw sales drop from $210 million a year ago to $207 million this year. Volume for City of Commerce, Calif.-based The Federated Group jumped 91% with same-store result up 9%.

February shows only modest gain

Major chains	% change	Feb. Sales* 1985	Feb. Sales* 1984	Stores 1985	Stores 1984	1-mo. sales* 1985	1-mo. sales* 1984	% change
Sears[1,6]	+ 2.4	1,445,784	1,411,784	871	886	1,445,784	1,411,784	+ 2.4
Penney	+ 4.1	690,000	663,000	1,994	2,012	690,000	663,000	+ 4.1
Ward[1]	− 1.6	385,851	391,758	366	368	385,851	391,758	− 1.6
Federated[2]	+ 7.8	503,600	467,300	455	404	503,600	467,300	+ 7.8
Dayton Hudson	+14.8	473,285	412,426	1,143	1,082	473,285	412,426	+14.8
May Dept. Stores	+13.3	288,700	254,800	1,875	1,598	288,700	254,800	+13.3
R. H. Macy	+ 7.6	302,200	280,800	96	93	302,200	280,800	+ 7.6
Allied Stores	+ 3.4	251,600	243,400	596	520	251,600	243,400	+ 3.4
Carter Hawley Hale	+13.5	257,400	226,700	269	241	257,400	226,700	+13.5
Associated Dry Goods	+14.6	249,600	217,900	333	321	249,600	217,900	+14.6
Mercantile	+ 6.7	98,057	91,868	78	78	98,057	91,868	+ 6.7
K mart[7]	+14.0	1,307,317	1,146,755	2,173	2,158	1,307,317	1,146,755	+14.0
Woolworth	N.C.	335,000	335,000	N/A	N/A	335,000	335,000	N.C.
Wal-Mart	+30.6	435,000	333,000	763	651	435,000	333,000	+30.6
Household Merch.[2,3]	+ 4.4	387,360	371,140	3,609	3,788	387,360	371,140	+ 4.4
T.G. & Y.	− 7.9	125,802	136,605	741	801	125,802	136,605	− 7.9
Zayre[4]	+13.2	174,371	154,076	853	755	174,371	154,076	+13.2
Bradlees	+ 4.0	76,200	73,300	132	127	76,200	73,300	+ 4.0
Murphy	− 2.4	54,069	55,389	383	403	54,069	55,389	− 2.4
Hock's	+ 7.4	30,300	28,200	125	122	30,300	28,200	+ 7.4
Jamesway	+17.1	25,569	21,840	85	78	25,569	21,840	+17.1
Melville	+ 5.9	270,229	255,162	5,891	5,736	270,229	255,162	+ 5.9
Tandy	− 1.3	207,261	210,014	N/A	N/A	207,261	210,014	− 1.3
Edison Bros.	−13.3	63,300	73,000	N/A	N/A	63,300	73,000	−13.3
The Gap	+ 5.3	29,800	28,300	622	549	29,800	28,300	+ 5.3
The Federated Group	+90.4	20,000	10,500	43	20	20,000	10,500	+90.4
Total & Averages	+ 7.8	8,361,853	7,757,412	—	—	8,361,853	7,757,412	+ 7.8

*000 omitted. N.C. = no change. N/A = not available.
[1]Store number for full-line outlets only. [2]Includes 2,692 franchise stores (vs. 2,763 a year ago). [3]Includes Von's and T.G. & Y. sales. [4]Includes 290 Zayre stores (vs. 275 a year ago), 407 Hit or Miss stores (vs. 362) and 156 T. J. Maxx stores (vs. 118). [5]Excludes supermarket sales. [6]Includes results from Sears Canada. [7]Store count includes K mart stores only.

Grace readies Herman's offering

W. R. Grace hopes to raise between $70 million and $82 million from an offering of 4.6 million shares of common stock in Herman's, its subsidiary of retail sporting goods stores.

The shares represent 41% of stock in Herman's, the country's largest sporting goods retailer. Grace will retain the other 59% of stock, leaving it as the majority owner of the operation. Each share is expected to fetch between $15 and $18.

Herman's will keep between $19.5 million and $23.5 million from the offering in order to retire some of its debt, freeing up capital for long-term expansion. Herman's recently debuted an off-price sporting goods store, Total Sports, in Hollywood, Fla.

Herman's currently operates 115 sporting goods stores in the Northeast, Midwest and mid-Atlantic states.